

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

RIO GRANDE COMMUNITY HEALTH
CENTER INC., et al.,

Plaintiff(s)

v.

COMMONWEALTH OF PUERTO RICO, et
al.,

Defendant(s)

UNITED STATES DEPARTMENT OF
HEALTH AND HUMAN SERVICES, et
al.,

Interpleader Defendants

CIVIL NO. 03-1640 (JAG)

ORDER

On January 24th, 2006, Magistrate-Judge Gustavo A. Gelpi issued a Report and Recommendation (R&R) to GRANT the Motion to Dismiss Plaintiffs' Complaint For Interpleader (Docket No. 225), filed by the United States Department of Health and Human Services ("federal defendants"). The Magistrate-Judge's recommendation is grounded on his finding that plaintiffs are not exposed to defending against multiple claims to a limited fund or property, as required by Fed.R.Civ.P. 22.

Plaintiffs filed objections to the R&R on February 3rd, 2006, claiming that the Magistrate-Judge's finding was "categorically incorrect," as "plaintiff's funds are, in both fact and law, subject to competing claims." (Docket No. 187 at 3). Specifically,

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plaintiffs stated that "if federal defendants are not parties to the case and if any of the [Commonwealth] defendant's arguments is eventually "bought" by this Court or the First Circuit, federal defendants remain free to disagree with the reduction in payments to plaintiffs that would result in a new claim (which then would exist insofar as federal defendants were concerned) against plaintiffs for improper use of Section 330 funds." (Docket No. 287 at 11).

Upon de novo review, the Court rules that plaintiffs fail to show that they have monies which both the Federal and Commonwealth defendants are claiming an entitlement to. As the Magistrate-Judge correctly noted, plaintiffs' concern of a future claim to the Section 330 funds by the federal defendants, is purely conjectural. Therefore, the Court adopts the R&R in toto and, accordingly, **GRANTS** the federal defendant's Motion to Dismiss Complaint for Interpleader.

IT IS SO ORDERED.

In San Juan, Puerto Rico, this 25th day of May, 2006.

S/Jay A. Garcia-Gregory
JAY A. GARCIA-GREGORY
United States District Judge